

CITY OF MILTON-FREEWATER, OREGON

Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2004

PREPARED BY:

**FINANCE DEPARTMENT
LUKE BILLINGS
ACCOUNTING SUPERVISOR
AND
DAVE RICHMOND
FINANCE DIRECTOR**

City of Milton-Freewater

Contents

	<i>Page</i>
<i>INTRODUCTORY SECTION:</i>	
<i>Letter of transmittal</i>	1-7
<i>City Council and Appointed Officials</i>	8
<i>GFOA Certificate of Achievement</i>	9
<i>Organization chart</i>	10
 <i>FINANCIAL SECTION:</i>	
 <i>INDEPENDENT AUDITORS' REPORT</i>	 13-14
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	17-24
 <i>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</i>	
<i>Statement of net assets</i>	27
<i>Statement of activities</i>	28-29
 <i>FUND FINANCIAL STATEMENTS:</i>	
<i>Governmental funds:</i>	
<i>Balance sheet</i>	32
<i>Statement of revenue, expenditures and changes in fund balances</i>	33
<i>Reconciliation of the statement of revenue, expenditures, and changes in fund balances to statement of activities</i>	34
<i>Statement of revenue, expenditures, and changes in fund balances - budget and actual - general fund</i>	35
<i>Statement of revenue, expenditures, and changes in fund balances - budget and actual - street fund</i>	36
<i>Statement of revenue, expenditures, and changes in fund balances - budget and actual - library fund</i>	37
<i>Proprietary funds:</i>	
<i>Statement of net assets</i>	39-40
<i>Statement of revenues, expenses, and changes in net assets</i>	41
<i>Statement of cash flows</i>	43-46
 <i>NOTES TO FINANCIAL STATEMENTS</i>	 50-73
 <i>SUPPLEMENTARY INFORMATION:</i>	
 <i>COMBINING STATEMENTS-NONMAJOR GOVERNMENTAL FUNDS:</i>	
<i>Combining balance sheet:</i>	
<i>Governmental funds</i>	77
<i>Special revenue funds</i>	78
<i>Debt service funds</i>	79
<i>Combining statements of revenue, expenditures, and changes in fund balances:</i>	
<i>Governmental funds</i>	80
<i>Special revenue funds</i>	81-82
<i>Debt service funds</i>	83

City of Milton-Freewater

Contents (continued)

COMBINING STATEMENTS-NONMAJOR PROPRIETARY FUNDS:

Combining statement of net assets:	
Nonmajor enterprise funds	85-86
Internal service funds	87-88
Combining statement of revenue, expenses, and changes in net assets:	
Nonmajor enterprise funds	90
Internal service funds	91-92
Combining statement of cash flows:	
Nonmajor enterprise funds	93-94
Internal service funds	95-98

BUDGETARY COMPARISONS:

Schedule of revenue, expenditures, and changes in fund balance - budget and actual	
Governmental funds:	
Nonmajor special revenue funds:	
Street improvement fund	104
Senior/disabled transportation fund	105
Drug enforcement fund	106
911 fund	107
Urban renewal agency fund	108
Debt service funds:	
Debt service fund	111
Unbonded assessment fund	112
Proprietary funds:	
Electric fund	116
Electric capital replacement reserve fund	117
Electric operating and maintenance fund	118
Water fund	119
Sewer fund	120
Sewer improvement fund	121
Solid waste fund	122
Landfill closure fund	123
Golf course fund	124
Warehouse fund	125
Vehicle maintenance fund	126
Vehicle replacement fund	127
Sick leave liability fund	128
Risk management fund	129

CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS:

Schedule by source	131
Schedule by function and activity	132
Schedule of changes by function and activity	133

OTHER FINANCIAL SCHEDULES:

Schedule of property tax transactions	136
Schedule of bond and interest retirement requirements	137-140
Schedule of bond transactions	141

City of Milton-Freewater

Contents

STATISTICAL SECTION – UNAUDITED:

<i>General governmental expenditures by function – last ten fiscal years</i>	<i>144</i>
<i>General governmental revenue and other financing sources by source – last ten fiscal years</i>	<i>145</i>
<i>Property tax levies and collection – last ten fiscal years</i>	<i>146</i>
<i>Assessed value of taxable property – Last ten fiscal years</i>	<i>147</i>
<i>Property tax rates – direct and overlapping governments – last ten fiscal years</i>	<i>148</i>
<i>Special assessment collections – last ten fiscal years</i>	<i>149</i>
<i>Ratio of net general bonded debt to assessed value and net bonded debt per capita – last ten fiscal years</i>	<i>150</i>
<i>Computation of legal debt limit</i>	<i>151</i>
<i>Ratio of annual general obligation and bonded debt service expenditures to general governmental expenditures – last ten fiscal years</i>	<i>152</i>
<i>Revenue bond coverage – last ten fiscal years</i>	<i>153-154</i>
<i>Demographic statistics – 1960, 1970, 1980, 1985, 1990, 2000</i>	<i>155</i>
<i>Largest taxpayers – current fiscal year</i>	<i>156</i>
<i>Schedule of Insurance in Force</i>	<i>157</i>
<i>Comparative schedule of profit and loss – last ten fiscal years:</i>	
<i>Electric fund</i>	<i>158</i>
<i>Water fund</i>	<i>159</i>
<i>Sewer fund</i>	<i>160</i>
<i>Solid waste fund</i>	<i>161</i>
<i>Golf course fund</i>	<i>162</i>
<i>Miscellaneous statistics</i>	<i>163-164</i>

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS:

<i>Independent auditors' comments and disclosures required by state regulations</i>	<i>167</i>
<i>Independent auditors' report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards</i>	<i>168</i>